

State Corporation Commission 2011 Fiscal Impact Statement

1. Bill Number: HB2358

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: McClellan

3. Committee: Commerce and Labor

4. Title: Benefit corporations.

5. Summary: Benefit corporations. Authorizes a Virginia stock corporation to elect to be a benefit corporation by including in its articles of incorporation, or amending existing articles to include, a statement that the corporation is a benefit corporation. A benefit corporation is required to have the purpose of creating a general public benefit, which is defined as a material positive impact on society and the environment taken as a whole, as measured by a third-party standard, from the business and operations of a benefit corporation. In addition, a benefit corporation may have the purpose of creating one or more specific public benefits, which include providing low-income or underserved individuals or communities with beneficial products or services; promoting economic opportunity for individuals or communities beyond the creation of jobs in the normal course of business; preserving the environment; improving human health; promoting the arts, sciences, or advancement of knowledge; increasing the flow of capital to entities with a public benefit purpose; and conferring any other particular benefit on society or the environment. In determining what the director of such a corporation reasonably believes to be in the best interests of the corporation, he is required to consider the effects of any action on shareholders, and other persons and issues. A benefit corporation shall deliver to shareholders an annual report describing the ways in which the corporation generally pursued its general public benefit and related matters. A copy of the report shall be filed with the State Corporation Commission. A benefit corporation's status as such will be revoked if the report is not filed for two consecutive years.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: No Fiscal Impact on the State Corporation Commission.

8. Fiscal Implications: None on the State Corporation Commission

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission.

10. Technical Amendment Necessary: Yes, see Item 11.

11. Other Comments: Pursuant to discussions with the patron, a substitute bill will be submitted which is expected to eliminate any and all impacts on the SCC's Clerk's Office.

Date: 1/18/2011 JP